Public Hearing to be held at
City of Penticton Council Chambers
171 Main Street, Penticton, B.C.

Tuesday, January 8, 2019
at 6:00 p.m.

1. Mayor Calls Public Hearing to Order for “Zoning Amendment Bylaw No. 2018-66”

CO Reads Opening Statement and Introduction of Bylaws

“Zoning Amendment Bylaw No. 2018-66” (Cannabis Retail Store)

Purpose: To amend Zoning Bylaw No. 2017-08 as follows:

To remove the prohibition on cannabis retail sales, adding a definition for ‘cannabis retail store’ and including the use ‘cannabis retail store’ in the C4 (General Commercial), C5 (Urban Centre Commercial) and C6 (Urban Peripheral Commercial) zones.

Notice: The Public Hearing was advertised in the Penticton Western Newspaper on Friday December 28, 2018 and Wednesday January 2, 2019 (pursuant to the Local Government Act).

CO No Correspondence received regarding the Zoning Amendment Bylaw (as of noon Wednesday, January 2, 2019).

Mayor Requests the Director of Development Services describe the proposed bylaw

Mayor Invitation to applicant for comment or elaboration on the application

Mayor Invites those in attendance to present their views

Mayor Invites Council members to ask questions

Mayor Invites applicants to respond to questions and those in attendance may provide new additional information

PUBLIC HEARING for “Zoning Amendment Bylaw No. 2018-66” is terminated and no new information can be received on this matter.
Resolutions

14.1  Zoning Amendment Bylaw No. 2018-66
Re: Cannabis Retail

Main Motion:
It was MOVED and SECONDED
THAT Council give second reading to “Zoning Amendment Bylaw No. 2018-66”.

Amendment:
530/2018
It was MOVED and SECONDED
THAT Council amend “Zoning Amendment Bylaw 2018-66” and remove cannabis retail stores are not permitted downtown on Main Street or Front Street.

CARRIED
Councillor Robinson, Opposed

Main Motion as Amended:
532/2018
It was MOVED and SECONDED
THAT Council give second reading as amended to “Zoning Amendment Bylaw 2018-66”.

CARRIED
Councillor Robinson, Opposed
Staff Recommendations

#1 Council Policy

THAT Council approve “Cannabis Retail Stores Policy” which establishes the process and guidelines for obtaining local government support for a provincial ‘cannabis retail store’ licence in Penticton.

#2 Zoning Amendment Bylaw

THAT Council give first reading to Attachment B “Zoning Amendment Bylaw 2018-66”, a bylaw that adds a definition for ‘cannabis retail store’, includes the use in the C4, C5 and C6 and prohibits cannabis stores on the 100, 200 or 300 blocks of Main or Front Street and that the bylaw be forwarded to the December 18, 2018 Public Hearing.

OR

THAT Council give first reading to Attachment C “Zoning Amendment Bylaw 2018-66”, a bylaw that adds a definition for ‘cannabis retail store and, includes the use in the C4, C5 and C6 and that the bylaw be forwarded to the December 18, 2018 Public Hearing.

#3 Business Licence Amendment Bylaw

THAT “Business Licence Amendment Bylaw 2018-67”, a bylaw that adds a definition for ‘cannabis retail store’ and regulates the operation of cannabis retail stores, be given first reading and referred to the December 18, 2018 Public Hearing to receive comment from the public.

#4 Smoking Regulations Bylaw

THAT Council give first, second and third reading to “Smoking Regulations Bylaw 2018-68”, a bylaw that repeals and replaces “Smoking Bylaw 87-15”, and includes a prohibition on the smoking and vaping of cannabis products in all public areas in Penticton.
Executive Summary

This report establishes bylaws and procedures for dealing with cannabis retail store applications that are referred from the province and establishes rules regarding the public consumption (smoking and vaping) of cannabis in Penticton. The bylaw changes proposed herein were developed through an extensive public consultation process, legal review and best practices from other jurisdictions.

Strategic priority objective

Creating regulations through public and stakeholder consultation for the safe distribution and consumption of cannabis products in Penticton is in keeping with the Council priorities of Good Governance.

Background

In early 2018, City Council endorsed a four phase strategy to engage the residents of Penticton on the establishment of a framework to respond to cannabis legalization. A full review of the engagement plan and outcomes is attached to the November 20, 2018 Committee of the Whole Report. The main conclusions of that engagement work show that residents of Penticton:

- Strongly support allowing retail sales of cannabis, but favour a controlled retail environment with stores being located in established commercial areas;
- Support a prohibition of smoking and vaping of cannabis in public areas;
- Remain concerned about exposure to youth;
- Generally support the principles of the regulatory framework presented by staff at various open houses and on-line.

Given the outcome of the engagement work, stakeholder consultation and review of the applicable provincial legislation, staff have prepared a Council policy and several bylaw amendments for Council’s consideration that establish an effective policy response to this new environment.

Proposal

Cannabis Retail Sales - Council Policy

This policy outlines how staff will process applications for cannabis retail store licenses that are referred from the provincial government, establishing an application window, open until January 1, 2019, whereby prospective retailers may apply and are not subject to a first-come, first processed basis. Importantly, included in the policy is a list of cases where staff would recommend against approval of a cannabis retail store.

The policy includes locational guidelines, including that stores should not be located within 300m of a K-12 public or private school or within 300m of another cannabis retail store in the downtown, or within 750m of another cannabis retail store elsewhere in the City.

The policy also includes expected aesthetical standards for cannabis retail storefronts, such as restrictions on branding and imagery intended to appeal to youths and guidelines for window coverings, whereby window coverings are encouraged to include imagery and colour that display a positive and quality image to the street.
**Zoning Amendment Bylaw No. 2018-66**

This bylaw amends the city's Zoning Bylaw to create a definition for the use ‘cannabis retail store’ and includes the use in the C4 (General Commercial), C5 (City Centre Commercial) and C6 (Urban Peripheral) zones. The bylaw amendment found in Attachment B also includes a prohibition of cannabis retail stores on Main Street in the downtown and Front Street.

**Business Licence Amendment Bylaw No. 2018-67**

This bylaw amends the City's Business License Bylaw adding a definition for ‘cannabis retail store’ and including operational regulations. The regulations require the submission of a security and safety plan and require storefront elevations to form part of the license (requiring amendment to the license if changes to the storefront and or signage and branding are proposed). The bylaw also limits the hours of operation from 9AM to 8PM and restricts the use of roll shutters on the outside of the storefront. A municipality that wishes to exercise its authority to regulate businesses via bylaw must give notice of its intention and provide an opportunity for persons to make representations to the municipal council. This opportunity will be at the Public Hearing on December 18, 2018.

**Smoking Regulations Bylaw No. 2018-68**

This bylaw revises and modernizes the City’s 1987 smoking bylaw and includes rules restricting smoking and vaping of cannabis on all public roads, sidewalks, walkways and trails as well as all municipal open spaces.

**Analysis**

The policy and bylaws under consideration were prepared and amended through extensive public and stakeholder consultation and legal review. Staff consider this approach towards policy development to be reflective of best practices and encourage Council to support the final stages of this process through the following recommendations:

- Endorsing the Council policy as attached;
- Giving first reading to the zoning amendment bylaw and Business License Amendment Bylaw and forwarding them to the December 18, 2018 Public Hearing for comment from the public; and
- Give first, second and third reading to the revised smoking bylaw and forwarding it to the December 18, 2018 Regular Meeting of Council for adoption.

The City was forwarded information from the Attorney General (Attachment providing recommendations for receiving provincial referrals and our responsibility for processing them. Staff consider the developed policy before Council to be in-line with the recommendations of the letter.

**Alternatives**

Council may consider the following amendments to the framework prior to giving support or readings to the proposed policy or bylaws:
Alternative 1: THAT the framework be endorsed as presented, but the prohibition on cannabis retail sales for Main Street in the downtown and Front Street not be included in the zoning amendment bylaw that is forwarded to the Public Hearing.

Alternative 2: THAT the framework be endorsed as presented, but the zoning amendment bylaw include adding the use ‘cannabis retail store’ to the C7 zone as well as the C4, C5 and C6 zones.

Alternative 3: THAT Council directs other changes prior supporting the framework as Council finds appropriate.

Attachments

Attachment A – Cannabis Retail Sales - Council Policy  
Attachment B – Zoning Amendment Bylaw No. 2018-66 (prohibits 100, 200, 300 blocks of Main or Front St.)  
Attachment C – Zoning Amendment Bylaw No. 2018-66  
Attachment D – Business License Amendment Bylaw No. 2018-67  
Attachment E – Smoking Regulations Bylaw No. 2018-68  
Attachment F – Correspondence from Attorney General  
Attachment G – Correspondence from Chamber of Commerce

Respectfully submitted,

Blake Laven, RPP, MCIP  
Planning Manager

Approvals

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<thead>
<tr>
<th>Director of Development Services</th>
<th>Chief Administrative Officer</th>
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WHEREAS the Council of the City of Penticton has adopted a Zoning Bylaw pursuant the *Local Government Act*;

AND WHEREAS the Council of the City of Penticton wishes to amend Zoning Bylaw 2017-08;

NOW THEREFORE BE IT RESOLVED that the Municipal Council of the City of Penticton, in open meeting assembled, hereby ENACTS AS FOLLOWS:

1. **Title:**

   This bylaw may be cited for all purposes as “Zoning Amendment Bylaw No. 2018-66”.

2. **Amendment:**

   Zoning Bylaw 2017-08 is hereby amended as follows:

   2.1 Amend section 3.2 Definitions and delete the definition **CANNABIS DISPENSARY** and replace with the following:

   **CANNABIS RETAIL STORE** means a business selling cannabis products through a storefront with a ‘cannabis retail store’ license issued from the BC Liquor and Cannabis Regulation Branch.

   2.2 Remove section 7.9 Cannabis Dispensary in its entirety.

   2.3 Add the following to 11.4 C4 – General Commercial 11.4.1 Permitted Uses

   .30 cannabis retail store

   2.4 Add the following to 11.5 C5 – Urban Centre Commercial 11.5.1 Permitted Uses

   .36 cannabis retail store

   2.5 Add the following to 11.6 C6 – Urban Peripheral Commercial 11.6.1 Permitted Uses

   .31 cannabis retail store
READ A FIRST time this 4 day of December, 2018
A PUBLIC HEARING was held this 18 day of December, 2018
READ A SECOND time AS AMENDED this 18 day of December, 2018
A SECOND PUBLIC HEARING was held this 8 day of January, 2019
READ A THIRD time this day of , 2019
RECEIVED the approval of the Ministry of Transportation on the day of , 2019
ADOPTED this day of , 2019

Notice of intention to proceed with this bylaw was published on the 7 day of December, 2018 and the 12 day of December, 2018 and the 28 day of December, 2018 and 2 day of January, 2019 in the Penticton Western newspaper, pursuant to Section 94 of the Community Charter.

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John Vassilaki, Mayor

Approved pursuant to section 52(3)(a) of the Transportation Act
this ______ day of ___________________, 2019

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for Minister of Transportation & Infrastructure

Angie Collison, Corporate Officer